

Washington, DC— Congressman Joe Sestak (PA-07) continued his commitment to repaying our returning troops and their families for their sacrifices by supporting the Heroes Earnings Assistance and Relief Tax Act (HEART Act) this week. The bill (H.R. 6081) passed the House without objection. In addition, the Congressman this week voted in favor of a series of other bills relating to Veterans. More information on them is listed below. — “It is our moral obligation to ensure that the men and women who wear the cloth of this nation do not have a more difficult life at home because of their patriotism,” said Sestak. “This bill will ease the difficult transition that so many Veterans have to deal with when they return to civilian life and will do so under a pay-as-you-go government.”

The legislation addresses tax issues to reduce economic problems for military families. One measure assists the National Guard members and Reservists who leave their jobs to serve our nation by providing a tax credit of up to \$4000 for small businesses who continue to pay these employees while they are on active duty. Another critical provision permanently establishes the current law that includes combat pay as earned income to determine eligibility for the Earned Income Tax Credit, allowing more servicemen and women to qualify.

In addition, this bill changes the qualified mortgage bond programs to allow thousands more Veterans to receive low-interest loans and, as a result, buy a home.

This assistance to Veterans is fully paid for by closing tax loopholes for federal contractors and preventing taxpayers from avoiding payments by renouncing their citizenship. Government contractors have often circumvented Social Security and Medicare taxes, saving millions while receiving checks from the federal government, by employing workers out of sham companies in other countries. This bill requires U.S. parent companies to pay these taxes for U.S. employees working in tax havens. To further fund measures that support our Veterans, individuals with more than \$600,000 of assets would have to pay taxes even if they relinquish their citizenship. Additional terms of this legislation guarantee more assistance to the troops. The HEART Act

- Clarifies that active military members who file a joint tax return would be eligible for the stimulus rebate payment even if the spouse does not have a Social Security number.
- Modifies the Uniformed Services Employment and Re-employment Rights Act (USERRA) to allow the day prior to the date of death to be treated as the date the employee returned to work

for purposes of triggering payment of benefits under a qualified plan;

- Permits an employer to make certain contributions to a qualified pension plan on behalf of an employee who is killed or becomes disabled in combat;
- Treats differential wages paid by an employer to an employee who becomes active duty military as wages for withholding and retirement plan purposes;
- Extends the limitations period for filing tax refund credit claims arising from Department of Veterans Affairs (DVA) disability determinations;
- Makes permanent the expiring Internal Revenue Code provision that permits active duty reservists to make penalty-free withdrawals from retirement plans;
- Makes permanent the expiring provision that authorizes the Social Security Administration (SSA) to disclose tax return information to the DVA for purposes of determining eligibility for certain veteran's programs;
- Permits recipients of military death benefit gratuities to roll over the amounts received, tax-free, to a Roth IRA or an Education Savings Account;
- Permits members of the reserves who are called to active duty to withdraw amounts held in a Flexible Spending Account (FSA) without penalty;

Congressman Sestak also voted in favor of the following bills, which each passed in the House, to improve our Veterans' quality of life:

- Veterans Substance Abuse Treatment - Expands and improves health care services available to veterans from the Department of Veterans Affairs for substance use disorders -- requiring the VA to provide the full continuum of care for substance use disorders at every VA medical center. Of the approximately 300,000 veterans from Operations Enduring and Iraqi Freedom who have accessed VA health care, nearly 50,000 have been diagnosed with a substance use disorder. (H.R. 5554)
- Spina Bifida Care for Vietnam Veterans Children - Directs the Secretary of Veterans Affairs to provide comprehensive health care to children of Vietnam veterans born with Spina Bifida. (H.R. 5729)
- Veterans Cost of Living Increase – Provides a cost of living increase for veterans' disability benefits and to dependency and indemnity compensation for veterans' families, effective December 1, 2008. The cost-of-living increase is based on the cost-of-living adjustment made annually for Social Security payments. (H.R. 5826)
- An amendment to the Service members Civil Relief Act - Provides for the protection of child custody arrangements for parents who are members of the Armed Forces deployed in support of a contingency operation. (H.R. 6048)
- Veterans Benefits Awareness Act - Authorizes the Secretary of Veterans Affairs to advertise in the national media to promote awareness of benefits under laws administered by the Secretary. (H.R. 3681)
- H.R. 5664 - Directs the Secretary of Veterans Affairs to update at least once every six years the plans and specifications for specially adapted housing furnished to veterans by the Secretary.
- H.R. 3889 - Requires the Secretary of Veterans Affairs to conduct a longitudinal study of the vocational rehabilitation programs administered by the Secretary.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the Congress.

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